

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

CLERK'S OFFICE

NOTICE OF FILING AND HEARING

DOCKET NO. 2012-90-E

SOUTH CAROLINA ELECTRIC & GAS COMPANY – PETITION OF SOUTH CAROLINA ELECTRIC & GAS COMPANY FOR UPDATES AND REVISIONS TO SCHEDULES RELATED TO THE CONSTRUCTION OF A NUCLEAR BASE LOAD GENERATION FACILITY AT JENKINSVILLE, SOUTH CAROLINA

In Order No. 2009-104(A), dated March 2, 2009, the Public Service Commission of South Carolina (“Commission”) authorized South Carolina Electric & Gas Company (“SCE&G” or “Company”) to construct and operate two 1,117 net megawatt nuclear facilities (“Units”) to be located at the Virgil C. Summer Nuclear Station site near Jenkinsville, South Carolina. In accordance with the Base Load Review Act, S.C. Code Ann. § 58-33-210 *et seq.*, in Order No. 2009-104(A), the Commission approved an estimated capital cost for the Units of \$4.5 billion in 2007 dollars. In Order No. 2010-12, in Docket No. 2009-293-E, the Commission approved SCE&G’s request to, among other things, approve an updated schedule of capital costs for the project. The updated capital cost schedule did not alter the total estimated capital cost for the Units of \$4.5 billion in 2007 dollars but changed the forecasted timing of cash flow.

In Order No. 2011-345, the Commission approved an updated capital cost schedule for the units which also removed all projected contingency costs as required by the decision of the South Carolina Supreme Court in South Carolina Energy Users Comm. v. South Carolina Pub. Serv. Comm’n, 388 S.C. 486, 697 S.E.2d 587 (2010).

On February 29, 2012, SCE&G filed a petition with the Commission, pursuant to S.C. Code Ann. § 58-33-270(E), seeking an order approving an updated construction schedule and capital cost schedule for the Units. The updated construction schedule revises the construction plan for the Units based on the issuance of the combined operating license for the Units by the Nuclear Regulatory Commission in early 2012, not mid-2011 as originally anticipated. It also incorporates approximately \$155 million in capital costs that have been incurred or have been identified since the issuance of Order No. 2011-345.

The capital cost estimate for which the Company seeks Commission approval in this proceeding is currently \$4.4 billion in 2007 dollars. In its filing, the Company states that it may seek to update its capital cost estimates during the pendency of these proceedings if additional cost items are identified or if cash flow schedules are updated.

S.C. Code Ann. § 58-33-270(E) authorizes SCE&G to petition the Commission for modification of any of the schedules related to the construction of a base load generation facility. This statute provides that such requests shall be granted if, after a hearing, the Commission finds that the changes are not the result of imprudence on the part of the SCE&G. The Company states that the changes to the schedules are the result of normal and prudent revisions, changes and refinements in the construction program for the project.

In its filing, SCE&G also requests that the Commission issue an accounting order concerning the treatment of certain additional construction costs arising from claims made by the contractors for the Units. SCE&G states in its petition that the contractors assert that these additional costs were caused by

changing regulatory requirements related to the Units and by unanticipated site conditions. SCE&G states that it is challenging these claims but nonetheless, may be required to pay the costs associated with these challenged claims ("Challenged Costs") under protest while challenges to them are being resolved. Until these challenges are resolved, SCE&G is requesting that the Commission allow SCE&G to report the cost of the Units both with and without including Challenged Costs. SCE&G is also requesting that the Commission measure compliance with approved construction cost schedules for the Units based on the cost schedules which do not include the Challenged Costs. SCE&G states that the Challenged Costs will not be included in any rate filings until the challenges related to them have been resolved and the resulting cost have been presented to the Commission for review.

A copy of the Company's filing may be obtained from the Commission at the address below. Additionally, the filing is available on the Commission's website at www.psc.sc.gov and is available from the corporate office of South Carolina Electric & Gas Company at 220 Operation Way, Mail Code C222, Cayce, South Carolina, 29033.

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, 101 Executive Center Drive, Columbia, South Carolina 29211 on **Wednesday, July 18, 2012, at 10:30 am.**

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before **May 2, 2012**, and indicate the amount of time required for his presentation. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. ***Please refer to Docket No. 2012-90-E.***

Any person who wishes to testify and present evidence at the hearing should notify the Clerk's Office, in writing, at the address below; the South Carolina Office of Regulatory Staff, 1401 Main Street, Suite 900, Columbia, South Carolina 29201; and K. Chad Burgess, Associate General Counsel, South Carolina Electric & Gas Company, 220 Operation Way, Mail Code C222, Cayce, South Carolina 29033, on or before **May 2, 2012**, and indicate the amount of time required for their presentation. ***Please refer to Docket No. 2012-90-E.***

Any person who wishes to be notified of the hearing, but does not wish to present testimony or be a party of record, may do so by notifying the Clerk's Office, in writing, at the address below on or before **May 2, 2012. Please refer to Docket No. 2012-90-E.**

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of the proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Rules of Practice and Procedure should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina
Attn: Clerks Office
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